

**OUTTURN 2008-09 CAPITAL MONITORING REPORT****Overview**

The reported position for all Directorates is an underspend against budget of (£21,494k).

**Children and Young Peoples Services (£9,686k)**

- Sir Frank Markham Academy (£4,104k)
- New Tattenhoe Park Primary School (£1,172k)
- New Hazeley Secondary School Phase 1 (£500k)
- Hazeley Secondary School Phase 2 (£415k)
- Ousedale - SSR Extension (£363K)
- Radcliffe School and Associated Sites Redevelopment (£1,208K)
- Hazeley Secondary School Phase 2a & 3 £386K

**Environment (£10,074k)**

- Street Lighting Spend to Save (£2,924k)
- J14 Area Improvements (£2,339k)
- Temporary Code for Unallocated GAF Funds (£1,382k)
- Portway/North Grafton Capacity Improvement Scheme (£1,070k)
- Carbon Management Programme - Phase 1 (£393k)
- Replacement and Enhancement Chillers at Saxon Court (£291k)

**Strategy Governance & Performance (£259k)**

- Care First System Upgrade or Replacement (£53k)

**Neighbourhood General Fund (£1,283k)**

- Re-Development of Calverton Traveller's Site (£609k)
- Emerson Valley Community Sports Pavilion (£417k)
- Bletchley Leisure Centre Redevelopment (£396k)
- Willen Village Extension (£166k)
- Milton Keynes Council and Extracare Charitable Trust - Retirement Village No.2 £880k

**Neighbourhood HRA (£192k)**

- IT Business Improvements 2007/08 (£159k)
- IT Business Improvements 2008/09 (£113k)
- Urgent Failing Components (£87k)
- Heating System Replacement £255k

## **CHILDREN AND YOUNG PEOPLE OUTTURN 2008-09 CAPITAL MONITORING REPORT**

### **Introduction:**

This report focuses on variances between budget and year end actuals for the directorate. Further information identifying variances between P11 forecast and actuals is located in the detailed report. The overall underspend against budget for Children and Young People is (£9,686k). The most significant under spends are; Sir Frank Markham Academy (£4,104k), New Tattenhoe Park Primary School (£1,172k), New Hazeley Secondary School Phase 1 (£500k), Hazeley Secondary School Phase 2 (£415k), Ousedale - SSR Extension (£363k), Radcliffe School and Associated Sites Redevelopment (£1,208k) and Capitalise Significant Element of Development Teams Budget 10% (£312k). This is partly offset by overspends on; Hazeley Secondary School Phase 2a & 3 £386k, Wellsmead Primary £322k, Oakgrove Secondary Phase 3 £301k and Beanhill Children's Centre £212k.

### **Schools, Planning and Resources (£9,191k)**

4/C/00009 Shenley Brook End School Final Phase (£97k) – The project is complete and we are now waiting for the settlement of the final account.

4/C/00023 New Hazeley Secondary School Phase 1 (£500k) – The contractors are currently involved in a dispute with Legal Services over re-roofing works but an agreement has not yet been reached.

4/C/00025 Lord Grey - SSR Extension £11k – AMK had previously reported that the final account on this project had been closed. On further investigation it was discovered that this was not the case and because of this we have had to pay Cyril Sweett's fees.

4/C/00027 Ousedale - SSR Extension (£363k) – A legal agreement is pending with regards to the late delivery of the project however an agreement has not yet been reached.

4/C/00061 Oakgrove Secondary School, Phase 2 (£138k) - The main part of this project is complete and we are now waiting for the settlement of the final account.

4/C/00062 Hazeley Secondary School Phase 2 (£415k) – We are waiting for the contractor to complete outstanding works to the windows. Once these have been completed we will be able to issue the Making Good Defects certificate and release the remaining money along with the agreement of the final account.

4/C/00094 New Tattenhoe Park Primary School (£1,172k) – The Project Manager advises that the reason for the under spend is because of incorrect forecasting of the budget which was based on the contractors and cost consultants predicted cash flow. There are also some outstanding landscaping and new playground works which will be started over the summer holidays. Some small additions to the contract are currently proceeding and should be completed by the summer holidays. These include additional handrails to the front of the school, changes to the fence and meshing, additional works to the reception and alterations to the kitchen.

4/C/00121 Radcliffe School and Associated Sites Redevelopment (£1,208k) – The development of Radcliffe school and the council pool on the adjacent site was previously dependent on a

large capital receipt from the sale of land for housing. This sale was not concluded because of the collapse of the housing market, and the project has stalled. As a result, a substantial part of the expenditure to date has been written back to revenue, with a corresponding reduction in capital costs.

4/C/00155 Non-Schools Education Properties (£132k) - This budget is a contingency and any expenditure from this project is entirely dependant on demand. It is therefore very difficult to estimate when costs will be incurred. £50k was earmarked for the Music Service but there is currently a dispute as to whether or not the proposed works are capital. £50k was also allocated to the care takers budget but this will now be allocated next year.

4/C/00180 New Waterhall School Targeted Capital Scheme £48k - There have been recent problems with drainage on the demolished site which has resulted in unexpected costs.

4/C/00183 Capitalise Significant Element of Development Teams Budget 10% (£312k) – This budget is in place to cover the capitalised staff costs of the development team. The costs are charged direct to the specific projects and the budgets will also be allocated to these projects (via slippage) to offset the costs.

4/C/00196 Stantonbury Campus Heating and Hot Water (£82k) - Minor defects works are yet to be completed and this is delaying the final account agreements.

4/C/00235 Wellsmead Primary £322k – The Project Manager advises that the contractor's push on completing on site by bringing in extra resources has meant that the original programme and cash flow are now incorrect.

4/C/00287 Oakgrove Secondary Phase 3 £301k - Works are progressing faster than originally anticipated. This is due to the speed at which the contractor has been able to progress with making up time following the snowfall early in 2009. The contractor's push on completing on site means that the original programme and cash flow are incorrect.

4/C/00292 Hazeley Secondary School Phase 3 £386k – The project is progressing faster than the original programme had anticipated. Additional conversion has been added to the contract and some design works have been brought forward from 2009-10. The contractor has been pushing on with the project resulting in works ahead of programme.

4/C/00368 Holne Chase Primary PIP (£96k) - Following a detailed review by AMK a structural defect was identified and therefore the tender award and start on site was delayed.

4/C/00403 Radcliffe Replacement Heating (£100k) - The heating works at Radcliffe are very dependant on what option is taken on the major redevelopment scheme currently on the capital programme. £100k was left in the programme to cover any potential risk in the current school over the winter period.

4/C/00415 Rickley Boilers (£100k) - The heating system is being assessed with regards to its remaining useful life. The budget will be retained in case there is a need to replace the heating system prior to the Rickley / Rivers amalgamation. The estimated completion date is late 2010.

4/C/00419 Sir Frank Markham Academy (£4,104k) – The Project Manager advises that the current year budget has been overstated by £1,998k. This is because when the appraisal was approved in 08/09 the expenditure that had already occurred in 07/08 was not taken into account. The combination of the snow and high winds has delayed the progress of this project.

4/C/00433 Hazeley Secondary School Phase 4 (£129k) – The project is currently in the design stage. A decision was made to delay the project and award this contract to Norwest Holst (Phase3 contractor) to avoid on site contractor conflict.

### **Quality Assurance (£15k)**

4/C/00313 Integrated Children's Services Grant £17k – The ICS Capital grant for 08-09 (£23,754) has only just been received and the budget needs to be increased to reflect this.

### **Sure Start (£352k)**

4/C/00285-005 Woughton - Playzone / Languard School (£91k) – We are still awaiting the final bills for the site works as snagging is still occurring. The reconfiguration of space enabled cheaper materials to be purchased and used.

4/C/00288 Beanhill Children's Centre £212k - Costs on this project have increased as a result of a number of factors – a poorly specified tender, poor bill of quantities, and the contractor starting on site without a full set of drawings. Internal Audit are currently conducting a review and discussions are taking place with Mouchel project managers.

### **DMT Approval**

The monitoring report was approved by Children and Young People's DMT on the 23<sup>rd</sup> April 2009.

## **ENVIRONMENT OUTTURN 2008-09 CAPITAL MONITORING REPORT**

### **Introduction:**

This report focuses on variances between budget and year end actuals for the directorate, further information identifying variances between P11 forecast and actuals is located in the detailed report. The overall underspend against budget for the directorate is (£10,074k). The most significant underspends are Street Lighting Spend to Save (£2,924), J14 Area Improvements (£2,339k), Portway/North Grafton Capacity Improvement Scheme (£1,070k), Carbon Management Programme – Phase 1 (£393k), Replacement and Enhancement Chillers at Saxon Court (£291k), MKGH Mortuary Expansion (£243k), Redway Reconstruction at Various Locations (£225k), Collision Remedial Measures 2008-09 – Cluster Sites (£216k), Carbon Management Programme – Phase 2 (£200k), which is partly offset by Refurbishment Saxon Court & 3/C/00219 Saxon Court Refurbishment – Phase 2 overspend of £294k.

### **Strategic Management & Support Services - £425k**

3/C/00242 Refurbishment Saxon Court & 3/C/00219 Saxon Court Refurbishment – Phase 2 £294k. The duration of the project was extended due to the decision to deal with all ad hoc enquiries from the public at the Civic Offices. This increased the fixed costs and inflation factors. There have also been additional costs for essential work and to cover operational requirements of Directorates.

3/C/00243 Effective use of Accommodation & 3/C/00222 Effective Use of Office Accommodation £76k. The costs of creating the MK Direct facilities were higher than expected and additional work was undertaken to meet user requirements.

3/C/00425 Change of use of the Civic Office Kitchens £51k – Demolition costs were higher than anticipated and additional unplanned work was required to provide a reasonable standard of air conditioning. Additional costs were also incurred to provide the facilities required by the occupants.

### **Central Administrative Buildings – (£444k)**

3/C/00148 Admin Buildings 5Y Essential Improvement (£87k) – Fixed wire testing project came in under estimate, also the work on the fire doors are not complete. Retention and fees not paid as one certificate was held back due to poor workmanship.

3/C/00490 Replacement and Enhancement Chillers at Saxon Court (£291k) – Work not started as the purchase of the chillers took longer than expected, only BC fees and Building Support time charged.

### **Passenger Transport - (£178k)**

3/C/00150 SCF PT Scheme (£121k) – Scope of scheme reduced, as some elements had been delivered previously under the MKP North Grafton scheme.

3/C/00403 Quality Bus Initiative £25k – Overspend due to uncertainty over exact cost to be charged by Synergy as works were effected by adverse weathers conditions. Attempt was made to compensate through the adjustment of the forecast. This also includes £3,600 transferred from 3/C/000001 Quality Bus Initiative 1.

3/C/00426 Improved Rural Bus Passenger Access £28k – Overspend due to uncertainty over exact cost to be charged by Synergy as works were effected by adverse weathers conditions. Attempt was made to compensate through the adjustment of the forecast.

3/C/00469 CMK Station Approach (£85k) – Scope of the work carried out by external consultant's was less than anticipated in 08/09 and will be carried out in 09/10

### **Traffic and Transportation – (£449k)**

3/C/00141 Pedestrian Crossing and Facilities £51k – All of this expenditure relates to 3/C/00418 Pedestrian Facilities, so there is no real overspend.

3/C/00156 Speed Limit Review £12k – Miscoding - All of this expenditure relates to 3/C/00460 Traffic Management Works (Speed Limit Related), so there is no real overspend.

3/C/00262 Casualty Reduction Measures (Cluster Sites) £14k – All of this expenditure relates to 3/C/00406 Collision Remedial Measures 2008-09 (Cluster sites), so there is no real overspend.

3/C/00274 Waiting Restriction Review £81k – Miscoding - All of this expenditure relates to 3/C/00461 Traffic Management Works (Safety Related), so there is no real overspend.

3/C/00276 Road Safety Mass Actions £10k – Overspend of 10k due to additional traffic management costs to be met from 3/C/00406 Collision Remedial Measures 2008-09 (Cluster sites).

3/C/00406 Collision Remedial Measures 2008-09 – Cluster Sites (£216k) – Additional items to be added currently on other projects - (3/C/00262 Casualty Reduction Measures (Cluster Sites) = £13,603; 3/C/00276 Road Safety Mass Actions = £10,077). Remainder to be carried for H2/Mc Connell Drive scheme (Wolverton) which was deferred to 2009/10 due to necessity for development of revised schemes following additional local consultation.

3/C/00414 Urban Traffic Calming – Wodsworth Avenue/Westbury Lane, Newport Pagnell £17k – Insufficient initial funding of £35K following detailed design costing, which resulted in additional funding allocation from 3/C/00410 Safer Journeys to School (SJTS).

3/C/00458 Responsive Traffic Management £44k – A large number of payments were posted very late which seem to be miscodings - it was not possible to identify correct codes within year end timescales

3/C/00461 Traffic Management Works (Safety Related) (84k) – Expenditure relates to 3/C/00274 Waiting Restriction Review (£80,809) as this is the new code therefore there is no real underspend.

### **Highway Network – (£1,191k)**

3/C/00476 Temporary Code for Unallocated GAF Funds (£1,012k) - This budget is to be removed, therefore the variance will be nil as there is no spend on the temporary code. The funding is to be transferred to 3/C/00300 MK Central Station Improvement BC, to temporarily replace the delayed S106 funding.

3/C/00058 Tinkers Bridge Footbridge Refurbishment £65k – The programme of works was scheduled for 8 weeks. However, British Waterways would only allow a 13 day closure. The

works had to be accelerated by working overnight which increased costs. Design costs also increased due to the acceleration and finding the structure had greater deterioration necessitating additional design work. In addition to this, the heavy snow February added to the contract period

3/C/00059 H9 Canal Bridges Strengthening (£146k) – The information requested from the Contractor was not complete and additional information was requested, this was not received on time to evaluate the outstanding compensation events (which will determine the costs of the final account) during the financial year as expected.

3/C/00122 Cranesbill Place Footbridge Refurbishment £28k – The works involved removing the granite cladding, after this was removed the work required was more extensively than planned for. The contract period also had to be extended due to the heavy snow in February and this added to increased costs.

3/C/00400 Loughton Bridge Strengthening £28k – Additional unforeseen costs have occurred as there are no original design drawings for the bridge and what details there are, are limited.

### **Highways – (£3,736k)**

3/C/00217 J14 Area Improvements (£2,339k) – Main reason for under spend is the delayed start to the new Coach Terminal Building as its £2m budget currently sits within the J14 funds. J14 contractor still needs to justify some of the Compensation Events which has deferred settlement.

3/C/00223 Portway/North Grafton Capacity Improvement Scheme (£1,070k) – This is a contribution to HCA in respect of a long-completed MKP scheme. The contribution is intended to come from S106 monies associated with the CMK redevelopment and HCA have deferred payment until such time as the redevelopment goes ahead.

Various projects (£327k) – There are a number of projects within Highways (e.g. carriageway resurfacing and footpath reconstructions) which offset over and underspends. The majority of the underspend is due to 3/C/00452 – Land Drainage and Flood Relief Works Stoke Goldington (£134k) and various projects (e.g. 3/C/00302 Drainage Investigatory Operations & 3/C/00296 Redway Reconstruction at Various Locations) that have been delayed due to inclement weather.

### **Street Lighting – (£2,924k)**

3/C/00291 Street Lighting Spend to Save (£2,924) – The project costs are £35k lower than forecast as no further work was carried out on the project during 2008/2009 once it became clear that the project was to be revised with a reduction in funding. No further re-profiling was carried out pending a decision by MKC on the way forward and revised funding to be agreed.

### **Environmental Health – (£360k)**

3/C/00341 MKGH Mortuary Expansion (£243k) – Funding was by means of a capital grant (maximum £3 million) from MKC to Milton Keynes General Hospital. The agreement provided that any underspend on the estimated project cost would be shared between MKC and MKGH. The construction was procured and project managed by MKGH and came in under-budget. This was not forecast earlier within MKC because of some confusion about the treatment of VAT on a project involving both organisations but is a saving against the approved spends. All work is completed and no further payments are expected.

3/C/00394 Second Crematorium at Crownhill (£118k) – Originally intended to undertake advanced ground works during this financial year. Delays caused by the need to obtain licence and undertaking trapping of GC newts meant this was no longer possible and this work now forms part of the main contract.

### **Waste and Energy – (£593k)**

3/C/00381 Carbon Management Programme – Phase 2 (£200k) & 3/C/00451 Carbon Management Programme – Phase 1 (£393k) – The rate of the project spending was less than forecast due to various blockages and staff time being reallocated to DEC surveys and climate change work.

### **Streetcare & Localities Services – (£382k)**

3/C/00207 Bradwell Abbey Improvements Programme (£102k) – Difficulties obtaining input to achieve approval from English heritage. English Heritage Approval needed for all the works to the Farmhouse [it's a Scheduled Ancient Monument and we can't undertake works except emergency work until we have their formal consent which will take a further 6 to 8 weeks]

3/C/00386 Play Area Fund (£100k) –The Appraisal was incorrectly completed; with areas of works not been broken down, resulting in no project code being issued. During year end funding will be transferred to 3/C/00256 – Play Area Improvement Fund.

### **DMT Approval**

The monitoring report was approved by Environment DMT on the 23<sup>rd</sup> April 2009.



## **STRATEGY GOVERNANCE & PERFORMANCE OUTTURN 2008-09 CAPITAL MONITORING REPORT**

### **Introduction:**

This report focuses on variances between budget and year end actuals for the directorate, further information identifying variances between P11 forecast and actuals is located in the detailed report. The overall underspend against budget for the directorate is (£259k), although there were no significant variances, the highest variance is included below.

### **Information Technology (£226k)**

2/C/00030 Care First System Upgrade or Replacement (£53k) - The project has experienced implementation delays; a key internal team member has resigned and the release of staff to work on the project has been difficult. A review has been undertaken with a view to generating a revamped approach to completing the project in 09/10.

### **DMT Approval**

The monitoring report was approved by Strategy Governance & Performance DMT on the 23<sup>rd</sup> April 2009.

## **NEIGHBOURHOOD GENERAL FUND OUTTURN 2008-09 CAPITAL MONITORING REPORT**

### **Introduction:**

This report focuses on variances between budget and year end actuals for the directorate, further information identifying variances between P11 forecast and actuals is located in the detailed report. The overall underspend against budget for Neighbourhood General Fund is (£1,283k). The most significant underspends are Re-Development of Calverton Traveller's Site (£609k), Emerson Valley Community Sports Pavilion (£416k), Bletchley Leisure Centre Redevelopment (£396k), which is partly offset by Milton Keynes Council and Extra Charitable Trust – Retirement Village No.2 overspend of £880k.

### **Commissioning and Customer Care £877k**

5/C/00067 Milton Keynes Council and Extracare Charitable Trust - Retirement Village No. 2 £880k – The staging of when payments were received from the Department of Health differed to what was originally expected and approved on the appraisal. £880k was received earlier than expected (in 2008/09) and therefore paid out as a grant to Extracare in March 2009.

### **Housing Strategy and Needs (£703k)**

5/C/00051 Re-Development of Calverton Traveller's Site (£609k) – The project is running approximately 8 weeks behind schedule. The reason for the delay is due to the need to appoint an additional technical project manager to assist (currently in process) and the delay in moving the Travellers from the site in order for works to commence.

### **Learning, Leisure and Culture (£1,417k)**

4/C/00166 Willen Village Extension (£166k) – When the need for works at Willen Village and Hodge Lea Pavilion were identified, there was not sufficient funding to complete both projects on the same level. The decision was made to use some of the funds to bring Hodge Lea into a useable condition, but to use all of the remaining funds to concentrate on the priority project which was Willen. This was a risk management exercise, undertaken to ensure that there was sufficient funding to cover all of the works at Willen. Now that the project is complete (with the exception of the final account payment), the remaining budget will be transferred to Hodge Lea Pavilion.

4/C/00188 Bletchley Leisure Centre Redevelopment (£396k) – There was a slight delay in the pool plant equipment and air handling units being delivered to site. A small delay was incurred due to SDC replacing the roof covering the pool as it was not to their satisfaction. The inclement weather also delayed the overall progress of the project.

4/C/00236 Emerson Valley Community Sports Pavilion (£416k) - We initially used the framework to tender for the build but this exceeded the budget so we had to re-tender the project build to a wider market. Due to the nature of part of this project (ground works) it is very reliant on having good weather. As we had a very bad spell, the project was delayed considerably therefore expenditure slowed as a consequence.

5/C/00066 Oxley Park Community (& Children's Centre 4/C/00430) (£113k) – This is a joint project with Oxley Park Children's Centre, between Education and Leisure. To date, all of the expenditure has been charged to the Education budget. The project has been delayed due to

late Cabinet approval (January), the delay in receiving the S106 income (this will now be covered by borrowing in the interim) and the process of combining the project into one budget.

### **DMT Approval**

The monitoring report was approved by Neighbourhood General Fund's DMT on the 23<sup>rd</sup> April 2009.

## OUTTURN 2008-09 CAPITAL MONITORING REPORT

### Introduction:

This report focuses on variances between budget and year end actuals for the directorate, further information identifying variances between P11 forecast and actuals is located in the detailed report. The overall underspend against budget for Neighbourhood HRA is (£192k), the most significant are, IT Business Improvement 07/08 (£159k), and IT Business Improvements 06/07 (£113k), which is offset by Heating System Replacements overspend of £255k.

### **Housing Repairs £159k**

9/C/00079 Urgent Failing Components (£87k) – Urgent Health and safety works were required at Swinden Court, Heelands at a cost of £220k. This was to remove and replace unsafe balconies above a parade of shops. However, certain cost elements of the urgent failing components have been booked to the Decent Homes programme (9/C/00080) explaining the underspend against budget and the difference between the forecast outturn and actual expenditure.

9/C/00081 Disabled Adaptations £35k – Demand on critical cases has outstripped the budget. Nine flat floor showers have been installed in Buckland Lodge (as per Director of Housing) parts of these costs have been offset by £20k contribution from Sheltered Housing.

9/C/00083 Heating System Replacement £255k – These works are managed on a run to fail basis. However demand has outstripped current budget allocation, but tenants cannot be left without heating and/or hot water. Therefore the costs reflect demand on the system.

### **General Management (£352k)**

9/C/00073 IT Business Improvements 2007/08 (£159k) – The underspend is due to delays caused by management changes (director of Housing/Councillors) and results of “Systems Thinking Activities” in the Housing Service.

9/C/00076 IT Business Improvements 2008/09 (£113k) – The underspend is due to delays caused by management changes (director of Housing/Councillors) and results of “Systems Thinking activities” in the Housing Service.

### **DMT Approval**

The monitoring report was approved by Neighbourhood DMT on the 23<sup>rd</sup> April 2009.